



Dave Yost • Auditor of State



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

AVR Fire District
Seneca County
221 South Main Street, P.O. Box 466
Attica, Ohio 44807-0466

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the AVR Fire District, Seneca County, Ohio (the District), agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2010 and 2009, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

Cash

1. We agreed the January 1, 2009 beginning fund balances recorded in the Balance Sheet Detail Report to the December 31, 2008 balances in the prior year audited statements. We found \$173,042 being carried on the District's balance sheet that is from 2006 debt proceeds and not part of the District's cash balance. The Fiscal Officer has adjusted this amount off the balance sheet.
2. We agreed the totals per the bank reconciliations to the total of the December 31, 2010 and 2009 fund cash balances reported in the Balance Sheet Detail Report. The amounts agreed.
3. We confirmed the December 31, 2010 bank account balance with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2010 bank reconciliation without exception.
4. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2010 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates written to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.
5. We selected one reconciling credit (such as deposits in transit) from the December 31, 2010 bank reconciliation. The bank reconciliation included a \$300 credit that could not be traced to the subsequent bank statement. We confirmed this credit was a check for a donation that was never cashed by the District and should not have been recorded.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2010 and one from 2009.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Profit and Loss Detail Report. The amounts were posted at net. The Fiscal Officer should record all tax settlements at the gross amount with a corresponding disbursement for all deductions.
 - b. We determined whether the receipt was allocated to the proper fund as required by Ohio Revised Code, Sections 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.

2. We scanned the Profit and Loss Detail Report to determine whether it included the proper number of tax receipts for 2010 and 2009:
 - a. Two personal property tax receipts
 - b. Two real estate tax receipts

We noted the Profit and Loss Detail Report included the proper number of tax settlement receipts for each year.

3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2010 and five from 2009. We also selected one receipt from the County Auditor's Vendor Audit Trail Report (VAT) from 2010 and one from 2009.
 - a. We compared the amount from the DTL and VAT to the amount recorded in the Profit and Loss Detail Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit report, we noted the following loan outstanding as of December 31, 2008. This amount agreed to the District's January 1, 2009 balance on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2008:
Loan	\$49,994

2. We inquired of management, and scanned the Balance Sheet Detail Report for evidence of debt issued during 2010 or 2009 or debt payment activity during 2010 or 2009. All debt noted agreed to the summary we used in step 3.

3. We obtained a summary of loan debt activity for 2010 and 2009 and agreed principal and interest payments from the related debt amortization schedules to general fund payments reported in the Balance Sheet Detail Report. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.

4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General Fund per the Balance Sheet Detail Report. The debt proceeds agreed, although the \$265 bank fees were rolled over into the loan and were not recorded.
5. For new debt issued during 2010, we inspected the debt legislation, noting the District must use the proceeds to purchase a fire truck. We scanned the Balance Sheet Detail Report and noted the District purchased a fire truck in February of 2010.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2010 and one payroll check for five employees from 2009 from the Payroll Summary Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Summary Report to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
 - b. We determined whether the account code to which the check was posted were reasonable based on the employees' duties as documented in the minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2010 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2010. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare	January 31, 2011	January 25, 2011	\$782.60	\$782.60
State income taxes	January 15, 2011	January 25, 2011	124.09	124.09
OPERS retirement	January 30, 2011	December 22, 2010	142.43	142.43

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Balance Sheet Detail Report for the year ended December 31, 2010 and ten from the year ended December 31, 2009 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Balance Sheet Detail Report and to the names and amounts on the supporting invoices. We found no exceptions.

- c. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Revised Code, Section 5705.41(D). We found one instance where a disbursement requiring certification was not certified and three instances where the certification date was after the vendor invoice date. There was no evidence a *Then and Now Certificate* was issued. Ohio Revised Code, Section 5705.41(D), requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. The amounts from the Amended *Certificate of Estimated Resources* are not recorded in the Profit and Loss Detail Report as required by Ohio Revised Code Section 5705.36(A)(1). The Fiscal Officer should record the estimated receipts in the Profit and Loss Detail Report and periodically compare amounts recorded in the Profit and Loss Detail Report to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
2. We scanned the appropriation measures adopted for 2010 and 2009 to determine whether, the Trustees appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Revised Code, Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Revised Code, Sections 5705.38 and 5705.40, to the amounts recorded in the Budget Spreadsheet for 2010 and 2009. The amounts on the appropriation resolutions did not agree to the amounts recorded in the Budget Spreadsheet. The Fiscal Officer should ensure the amounts recorded in the Budget Spreadsheet agree with the amounts approved in the appropriations resolution. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
4. Ohio Revised Code, Section 5705.39, prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the years ended December 31, 2010 and 2009. We noted no funds for which appropriations exceeded certified resources.
5. Ohio Revised Code, Section 5705.41(B), prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2010 and 2009 as recorded in the Budget Spreadsheet. We noted expenditures for 2010 exceeded total appropriations by \$274,486, contrary to Ohio Revised Code Section 5705.41(B). The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer may request the Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available.
6. Ohio Revised Code, Section 5705.09, requires establishing separate funds to segregate externally-restricted resources. We scanned the Balance Sheet Detail Report for evidence of new restricted receipts requiring a new fund during December 31, 2010 and 2009. We also inquired of management regarding whether the District received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Revised Code Section 5705.09 would require the District to establish a new fund.
7. We inquired of management and scanned the Balance Sheet Detail Report to determine whether the District elected to establish reserve accounts permitted by Ohio Revised Code, Section 5705.13. We noted the District did not establish these reserves.

Compliance – Contracts and Expenditures

1. We inquired of management and scanned the Balance Sheet Detail Report for the years ended December 31, 2010 and 2009 for procurements requiring competitive bidding under the following statute(s):

Ohio Revised Code, Sections 505.37 to 505.42 and 731.14, require a fire district to competitively bid purchases of fire apparatus, mechanical resuscitators, other fire equipment, appliances, materials, fire hydrants, buildings, or fire-alarm communications equipment or service costs exceeding \$25,000.

We identified a purchase of a fire truck exceeding \$25,000, subject to Ohio Revised Code, Section 505.42. For this purchase, we noted the Board purchased the fire truck using the State purchasing bid.

Officials' Response:

We did not receive a response from Officials to the findings reported above.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

September 12, 2011

This Page is Intentionally Left Blank.



Dave Yost • Auditor of State

AVR FIRE TOWNSHIP

SENECA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 29, 2011**